

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7043

BILL NUMBER: HB 1134

DATE PREPARED: Dec 27, 2001

BILL AMENDED:

SUBJECT: Cigarette Tax and Minority Health Initiatives.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Minority Health Initiatives Fund, consisting of money from the sale of cigarette tax stamps, to further minority health initiatives. The bill reduces the amount of the discount given distributors who purchase Cigarette Tax stamps.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *State Department of Health (ISDH):* This bill would require the ISDH to administer the Minority Health Initiatives Fund and transfer monies in the fund to the Indiana Minority Health Coalition to research and address the healthcare needs of underserved minorities in the state. Any costs associated with this proposal are expected to be covered using money in the fund or with existing Department staff and resources.

Funding for the Minority Health Initiatives Fund: The bill shifts 0.1% of the total revenue generated from the Cigarette Tax to the Minority Health Initiatives Fund. Based on the *November 14, 2001, Revenue Forecast Update*, this amount will equal approximately \$126,000 in both FY 2003 and FY 2004. The bill also provides that the fund may receive funding from other sources or as appropriated by the General Assembly.

Explanation of State Revenues: This bill will not reduce the revenue the state receives from the Cigarette Tax, nor will it change the current amount or distribution of cigarette tax revenue to funds currently receiving Cigarette Tax revenue. While the bill dedicates 0.1% of Cigarette Tax revenue to the Minority Health Initiatives Fund, it also reduces the vendor discount given to cigarette distributors on their purchase of Cigarette Tax stamps from 4% to 3.9%. This change effectively shifts revenue from cigarette distributors to the Minority Health Initiatives Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: *November 14, 2001, Revenue Forecast Update.*